Sumas Energy 2, Inc.

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Letter USO 3

October 19, 2001

Ms. Irina Makarow
Energy Facility Site Evaluation Council
P. O. Box 43172
Olympia, Washington 98504-3172

RE: Comments on the Draft Supplemental Environmental Impact Statement
Sumas Energy 2

Dear Ms. Makarow:

This letter is submitted in comment on the Sumas Energy 2 DSEIS. Due to the timing of the preparation of the DSEIS, the document does not provide current information on the certain aspects of the proposal, in particular those aspects that have changed as a result of discussions and agreements with the Washington Departments of Ecology, and Fish and Wildlife. As a result we believe that the impact analysis for wetlands in particular is somewhat flawed and that the proposed mitigation measures are based on an invalid assumption of impacts.

Our comments are organized to follow the outline of the DSEIS.

- **Section 1.6 Summary of Potential Impacts, Mitigation Measures and Significant Unavoidable Adverse Impacts,**

  1. Page 1-9 Groundwater Quality, Operation

     The statement that "[a]n increase in nitrate levels in municipal water . . . could result in a significant adverse impact on the potable water supply" could be misconstrued as suggesting that increased nitrate levels might be caused by the operation of the SE2 facility. Burt Clothier, a professional consulting hydrologist, has testified that nitrate levels in the Sumas/Abbottsford aquifer are a pre-existing condition that can neither result from nor be affected by the proposed facility. As is well known, the nitrate levels are caused by farming practices in British Columbia, not pumping. At most, pumping may affect the timing of fluctuations in nitrate levels. A copy of Burt Clothier's rebuttal testimony is attached (see Attachment 1). SE2 suggests that a statement be added to this portion of the DSEIS, clarifying that the levels of nitrates in the Sumas/Abbottsford aquifer would not be affected by the proposed facility. 1

2. Page 1-10 Groundwater Quantity, Operation

The statement "[t]his would reduce the amount of groundwater available for wells and surface water discharge" is misleading. The available scientific literature indicates that the aquifer is very large and that the volume withdrawn pursuant to the City's valid water rights is a small fraction of the annual recharge. At most, there is a hypothesis that the pumping at the City's well could have a slight effect on some nearby wells. 2

3. Page 1-11 Noise Mitigation

The statement "[t]he S2GF includes one design feature that reduces low-frequency noise" is incorrect.

First, these types of power projects are not typically a source of low frequency noise. Frank Britten, an engineer specializing in noise control, has submitted testimony to the Council indicating that he was worked on more than 100 power plant projects and that he has never seen low frequency noise and tonal noise problems from these type of facilities. (A copy of Mr. Brittan's direct and rebuttal testimony is attached for your information as Attachment 2.) During the first round of hearings, testimony also indicated that in Westinghouse's experience with these types of equipment and facility, low frequency noise has not been a problem. (Transcript pp. 407-08, 1316-17.) (Attachment 3) 3

Second, SE2 has had extensive discussions with equipment providers and engineers regarding noise attenuation at the facility. It is true that the HRSG acts to buffer noise, including low frequency noise. This is not, however, the only noise attenuation feature that will address low-frequency noise. SE2 has proposed to incorporate millions of dollars worth of noise attenuation features in the project. (Transcript pp. 457-60, 1401) (Attachment 4). The Application as well as testimony during the first round of hearings identified numerous noise attenuation features incorporated in the project design. (Application p. 4.1-15 – 16; Exhibit 25, p. 19) (Attachment 5) These features will mitigate low frequency noise as well as other sound from the facility. We also refer you to Frank Britten's testimony which describes the noise attenuation work that will be done during the final design process (Attachment 2).

4. Page 1-12 Flooding Potential, Mitigation

The description on the modeling is outdated. Please see new information provided below in comments on Section 3.6 Flooding Potential. 4

5. Page 1-13 Seismicity, Construction, second bullet

It is vague and, therefore, misleading to say that "[t]he consequences of a distant great earthquake or a local moderate to large earthquake are significant due to the potential for earthquake-induced hazards to damage the facility or pipeline." Experts agree that the facility can be designed to withstand the vast majority of earthquake risks. Although it is conceivable that an earthquake could occur of such an enormous magnitude that it would damage the facility or pipeline, saying the consequences would be significant implies a probability that does not exist.

Damage to the facility might interrupt operation, but is unlikely to result in a significant risk to the public. Damage to the pipeline could result in a natural gas release, but given the number of pipelines already located in the vicinity, the construction of the small additional pipeline to the S2GF would not significantly increase the risks associated with pipeline damage in the area. 5

SE2 has retained geologists and engineers with substantial experience dealing with seismic issues to address these issues. We are attaching copies of the direct and rebuttal testimony of Allan Porush (Attachment 6) and Mark Molinari (Attachment 7), which address these issues in detail. Please consider this information in preparing the final SEIS.

- **Chapter 2, Figure 2-2.**

This figure is out of date and should have been replaced with Revised Figure 2.3-1 Site Plan, dated June 29, 2001 as included in the June 2001 ASC. The diesel tank is no longer part of the proposal, and the detention ponds have been relocated to the area where the diesel tank was previously located. 6

- **Chapter 2, Page 2-9, Endangered fish species**

SE2 has reached agreements with both Ecology and Fish and Wildlife, and these agreements have been submitted to EFSEC. No impacts to fisheries resources or flow regimes were identified. 7

- **Chapter 2, page 2-10, Section 2.2.1.5**

During the hearings, the diesel tank was cited by many of the opponents as a potential significant impact in the event of rupture and from air emissions resulting from even the limited diesel firing that was proposed. In addition, there were concerns about truck traffic, diesel shortages, fire and other disaster scenarios. On page 3.2-2 of the DSEIS, the removal of the tank is found to "*essentially eliminates the risk of a large quantity of diesel migrating to groundwater as a consequence of a potential tank rupture or of releases during refueling.*" The DSEIS should describe the elimination of the tank and the use of diesel as a 8

backup fuel source as a positive change that eliminates potential impacts associated with the original project. 8

- **Section 3.1 Air Quality (Greenhouse Gases)**

1. Page 3.1-2.

   The discussion related to the greenhouse gas emissions associated with the proposed project is incomplete. In order for the public to understand the significance of the project's emissions, the SEIS should put them in perspective relative to greenhouse gas emissions associated with other power facilities. The proposed project is extremely efficient, which means that on a pound per kilowatt basis, its emissions are much lower that other fossil fuel-fired generating facilities. 9

2. Pages. 3.1-2 and 3.1-3.

   The discussion of environmental impacts in the greenhouse gas section fails to compare the proposed project with the no action alternative. It is misleading and inaccurate to suggest that the construction and operation of this facility will increase greenhouse gas emissions. The construction and operation of this facility is not likely to affect the amount of electricity used in the Northwest, it will merely affect how that electricity is produced. If the proposed facility operates, it will operate instead of other less efficient fossil fuel-fired facilities and will, therefore, reduce the volume of greenhouse gas emissions associated with the use of electricity in comparison to the no-action alternative. The SEIS should acknowledge and explain the comparison of the proposed action to the no-action alternative. This issue is discussed in greater detail in the direct and rebuttal testimony of David Montgomery, Jim Litchfield and Charles Martin recently submitted to the Council. (Copies are attached for your information as Attachments 8, 9 and 10.)

3. Pages 3.1-4 – 3.1-6.

   The discussion of "offsets" and the extent of "offsets" contained in this section is simplistic and misleading. By indicating that SE2's multi-million dollar monetary commitment will offset only 6% of the facility's emissions, the SEIS ignores the fact that, when operating, SE2 will be satisfying existing electrical demand by producing less greenhouse gas emissions that would otherwise be produced. In other words, it seems to assume that without the construction of SE2, the state or region would simply use 660 MW less electricity or would use electricity generated without any greenhouse gas emissions. Clearly, neither of those assumptions is correct. Electricity demand results in production, not the other way around, and SE2 would not displace cheap hydroelectric power or other non-ghg emitting sources. We call your attention in particular to the rebuttal testimony of David Montgomery (Attachment 8), Jim Litchfield (Attachment 9) and Charles Martin (Attachment 10), which discusses this point. In comparing the SE2 project to the no-action alternative, it would be more accurate to say that SE2's proposal 10

will fund offset projects that will result in at least a 6% further reduction in greenhouse gases relative to the no-action alternative. In other words, it will more than fully offset its emissions. 10

- **Section 3.2 Groundwater Quality**

Please refer to Attachment 1, the testimony of Burt Clothier on groundwater quality.

Page 3.2-7.

SE2 agrees with the SEIS conclusion that "[t]here are no significant unavoidable adverse impacts that have been identified with respect to groundwater quality." The no adverse impact conclusion is consistent with the evidence presented in the Council's adjudicatory proceedings. 11

- **Section 3.3 Groundwater Quantity, Section 3.3.5 Significant Unavoidable Adverse Impacts, page 3.3-5**

The DSEIS concludes that SE2's use of the water "would essentially preclude other new commercial, municipal, or industrial water users." This is an overstatement. The City of Sumas has projected out future growth and already has sufficient water rights to satisfy projected demands. The City could also acquire additional water rights to meet unanticipated future demand. Significantly, SE2 has proposed to provide the City with $25,000 per year to use in acquiring new water rights and for aquifer protection. Likewise, future commercial or industrial users could acquire their own water rights. It is important to note the City of Sumas' Water System Comprehensive Plan (October 25, 1999) provides an analysis of their future projected non-residential water needs beginning on page 2-8, and includes a discussion of the water needs for SE2. Other than SE2, no other new commercial, municipal or industrial water users have been identified by the City of Sumas. 12

- **Section 3.4 Low-Frequency Noise**

1. Page 3.4-1

   The discussion of "broad-band noise" should point out that the A-weighted decibel scale takes all frequencies (both low and high) into account but weights them according to how those sounds are perceived by the human ear. 13

2. Page 3.4-3

   The first paragraph references Table 3.4-1, which is provided on the following page of the DSEIS, and is reprinted from Table 4.1-5 in the Second Revised Application. It is important to realize that SE2 obtained this data from manufacturers early in the development of this project. It is conservative (i.e. overstates sound levels) by nature, 14

and does not take into account manufacturer guarantees and noise attenuation features proposed to be worked out during the final design state. SE2 has had numerous discussions with equipment vendors and manufacturers and has been informed that the sound data for certain equipment, including the 501F turbine, are significantly lower than indicated in this table. We are enclosing noise measurement data from another 501F turbine facility for your information. (Attachment 16) We also refer you to Frank Brittan's testimony (Attachment 2).

This page concludes with the statement that "it is not possible to determine whether or not the low frequency noise levels produced by the S2GF would result in an impact." In some sense this is true — it will be impossible to determine for a certainty whether or not noise is present until the facility is in operation. The available evidence, however, strongly suggests that low frequency noise will not present a problem. We refer you again to the testimony of Frank Britten and other materials cited above. At a minimum, the SEIS should acknowledge that experts with extensive experience (Frank Brittan who has worked on more than 100 power projects over 28 years and noise specialists at Westinghouse) have indicated that low frequency noise and tones are not a problem with these sorts of facilities. 14

3. Page 3.4-4

   The DSEIS again states that the project design only includes one design feature that reduces low-frequency noise. This is not true, as explained above.

4. Page 3.4-5

   The DSEIS states that low frequency noise problems — in the unlikely event that they occur — will not be addressed until one year after operation. This is not true. The Application commits to submit a report to the Council one year after operation. As explained in Frank Brittan's rebuttal testimony (Attachment 2), however, SE2 will conduct monitoring sooner and would address any problems that are discovered as soon as possible. 15

5. Page 3.4-5

   The statement that "Although SE2 has not proposed specific mitigation measures, it listed potential mitigation measures..." is misleading. As explained above, many noise attenuation features have been included in the initial project design. Frank Britten explained in his testimony that these measures will have to be finely tuned as part of the final design process. 16

6. Page 3.4-7

We disagree with the DSEIS recommendation that "objective" numerical noise "limits" should be developed prior to construction. Although it may be appropriate at some point for EFSEC to develop generally applicable numerical limits on low frequency noise through regulations properly established via the rulemaking process, this is one adjudication involving the permitting of a single project. Because this is a case-specific adjudication, SE2 has proposed to evaluate sound levels of the project following commencement of operations and to develop a process for determining whether any reasonable objections exist and for addressing any such objections. The various numerical standards the DSEIS has referenced may be useful in evaluating the monitoring data, but EFSEC should not attempt to develop its own set of numeric limits through the SEPA process. 17

- **Section 3.5 Wetlands and Appendix A (September 7, 2001 Technical Memorandum)**

1. Section 3.5 and Appendix A does not take into account several important pieces of information concerning the wetland impacts and proposed mitigation. In particular: (1) The attached document entitled "Summary of Wetlands, Wetland Impacts, and Compensatory Mitigation Planned for Sumas 2 Generation Facility", dated September 20, 2001. (Attachment 11) This document was developed in collaboration with the Department of Ecology and provides additional information about both the wetlands being impacted and the mitigation being proposed. (2) The pre-filed direct testimony submitted by David Every. This testimony addresses many of issues identified in the DSEIS. A copy of it is attached for your information. (Attachment 12) (3) The Settlement Agreement between the Washington Department of Ecology and SE2. This agreement reflects the Department of Ecology's conclusion that the mitigation proposal fully mitigates wetland impacts. A copy is attached for your information. (Attachment 13) (4) The Settlement Agreement between the Washington Department of Fish and Wildlife and SE2. A copy is attached for your information. (Attachment 14) (5) A transcript of the testimony provided to EFSEC in support of the two settlement agreements. A copy of which is attached for your information. (Attachment 15) Together this information supplements and supercedes information used for the DSEIS. It also provides information to resolve remaining issues in Section 3.5.4.3 of the DSEIS concerning mitigation requirements. 18

2. SE2 notes that the Department of Ecology has agreed that SE2's mitigation proposal mitigates all impacts to wetlands. The Council should accord that determination weight in considering the meaning of Department of Ecology regulations and guidelines.

3. Page 3.5-11, section 3.5.4.3, Additional Mitigation Requirements for 401 Water Quality Certification 19

The first bulleted item indicates that all the wetlands on the site should be considered one Category II wetland because the PFO/SS wetland and the farmed wetland are contiguous. This appears to be a misinterpretation of the guidance in the Washington State Wetlands Rating System for Western Washington (Ecology 1993).

On page 12 of that document, General Guidance for the Wetland Rating Field Data Form is provided, and it includes guidance for identifying the boundaries of the wetland to be rated. A key element of the guidance is to identify the locations where the hydrology changes rapidly. The site has a wetland ditch that goes from the north boundary of the site along the east edge of the PFO/SS wetland and separates it from the farmed wetlands to the east. At about the southeastern corner of the PFO/SS, the ditch angles toward the southwestern corner of the site and intercepts another ditch going more or less eastward. The intersection of the ditches is in a topographic low spot, which receives water from both the south and the north, all of which drains to the east. The topography along the southern boundary of the PFO/SS wetland appears to be slightly elevated, and the farmed wetlands to the south appear to be watered from the ditches and direct rainfall. We have concluded that the separation in hydrology is sufficient to qualify as an appropriate basis for separating the PFO/SS wetland from the remaining farmed wetlands for the purposes of rating and assessing functional performance. This is reinforced by the land use patterns, which are quite distinct. 19

Based on the rating points in question 4 of the rating data form, the farmed wetland and associated emergent wetlands, with a score of less than 22 points, would be a Category III wetland. During the EFSEC prehearing conference on September 24, 2001, Eric Stockdale of Ecology testified that he would have thought the wetlands would be classified as Category IV:

> *"Typically not. We look at the impact that is driving the need for mitigation and then the mitigation that is proposed to mitigate for those impacts. As we all know these are - - I mean I was even surprised that the wetland that's being affected meets a Category III wetland in our rating system. That was actually a surprise to me. I would have put those wetlands in a Category IV simply because they are highly degraded wetlands, so the risk to the environment is relatively low when you're talking about mitigating impacts to low quality wetlands as compared to trying to site the facility on this 8.8 ache (sic) forested wetland. I would say that we would be talking about a different suite of functions that we would be needing to mitigate for." (Transcript p. 136, line 12.)*

The PFO/SS wetlands (the 8.8 acres on the west mitigation site) would be a Category II wetland using Ecology's rating system. The Draft SEIS, section 3.5.2.2, acknowledges that the City of Sumas has confirmed that the PFO/SS wetland should be rated as a Category III wetland under their Shoreline Management Program. Using the Washington State Rating System, Bexar rated it as a Category II wetland, since it scored more than 22 points on question 4.

The east mitigation area has 2.15 acres of wetland that also qualify as Category III emergent wetlands. 19

4. Page 3.5-11, section 3.5.4.3, Additional Mitigation Requirements for 401 Water Quality Certification

The second bulleted item recommends providing additional compensatory mitigation based on acreage ratios. We disagree that additional mitigation is required beyond the amount proposed already by SE2 and find the conclusion inconsistent with the approach being taken by the Department of Ecology. We refer you to the September 20 Summary document (Attachment 11), the pre-filed testimony of David Every (Attachment 12) and the transcript of the hearing regarding the settlement agreements (Attachment 15).

The Department of Ecology guidelines emphasize that "the goal is always to replace the lost [wetland] function at a 1:1 ratio." WDOE, *How Ecology Regulates Wetlands* p.15 (April 1998) (emphasis added). Ecology has published guidelines for replacement at greater ratios because "it is almost always necessary to accomplish" full replacement of lost wetland functions. *Id.* Ecology emphasizes, however, that the ratio guidelines are just that – guidelines – they should be adjusted up or down depending upon the particular circumstances. *Id.* at 16. Eric Stockdale has repeatedly warned the Council about not becoming "ratio zombies." The key is to look for replacement of wetland functions, and both Ecology and SE2 have determined that the mitigation proposal in this case more than replaces the existing functions of the low quality, highly-disturbed, farmed wetlands being filled. *See* Transcript of hearing on settlements. 20

SE2 has done considerable work to assess and quantify the relative wetland functions before and after the project. In response to a request by the Department of Ecology, SE2 prepared a detailed functional assessment using the Washington State Methods for Assessing Wetland Functions (Ecology 1999) for the farmed wetlands and wetland ditch. The results of this assessment are found in the September 20 Summary Report, and they have been accepted and agreed to by the Department of Ecology as indicated by testimony from Eric Stockdale to EFSEC on September 24, 2001.

The functional analysis begins on page 13 of the Summary:

> *The functional performance of wetlands to be lost by construction of the proposed power generation facility is similar to the functional performance of the meadow portions of the compensatory mitigation sites. The habitat suitability functions have particularly low performance value. The values that the model produced were summed and then multiplied by wetland acreage to be lost by the proposed construction. Since the sum of wetland functional performance is 35 and the size of the proposed wetland fill is 9.45 acres, the result is a loss of 330.75 functional units.*

The net gain in functional units from the proposed compensatory mitigation was derived by first calculating the current functional units provided by the meadow and corn field portion of the on site wetland to be utilized for compensatory mitigation. Since these portions of the wetland total 9.81 acres in size and their current wetland functional performance is estimated at 35, they currently provide a total of 343.35 functional units. It is estimated that enhancing and creating wetlands in the meadow portions of the compensatory mitigation areas will improve functional performance by 22 points after 20 years. The proposed compensatory mitigation will expand the wetland area by approximately 2.34 acres. Thus, this portion of the mitigation area will eventually provide approximately 692.55 functional units (12.15 acres multiplied by 57 functional value points). Enhancing the PSS/PFO wetland community will increase the functional units provided even further; however, this assessment has not yet been made. Thus, the compensatory mitigation sites will gain at least 349 functional units (692.55 subtracted by 343.35). The ratio of net gain in functional units (>349) to the loss in functional units from the proposed construction (330.75) is well over 1:1. 20

The results indicate that the wetland functional units (a combination of function index values and acreage) that are lost as a result of constructing the SE2 facility will be more than replaced by the creation of 3.73 acres of new wetland and enhancing the remaining area of emergent wetland, without counting benefits from enhancing the 8.8-acre PFO/SS wetland. See Summary (Attachment 11) and Dave Every Testimony (Attachment 12). Because of this, the recommendation in the third bulleted item of section 3.5.4.3, to provide an additional 2.06 acres of mitigation credit, is not required, because the functional equivalent has already been provided in the planned mitigation.

We also note that this analysis does not take into account any credit for enhancing the 8-acre PFO/SS area. In contradiction to the DSEIS writer, both Eric Stockdale from Ecology and Curt Leigh from Fish and Wildlife believe that significant enhancements can be made to the PFO/SS area and SE2 has agreed to make those enhancements.

5. Page 3.5-12, section 3.5.4.3 Additional Mitigation Requirements for Water Quality Certification

The fourth bulleted item in this section (the second bullet on page 3.5-12) calls for at least 50-foot buffers in existing upland areas on the east and west mitigation sites. There is a basic tradeoff between providing compensatory wetlands and providing buffers. For much of the site, the only way to to provide additional buffers would be to convert existing wetlands to upland. We do not believe it is appropriate to convert wetland to buffers areas, and both WDOE and WDFW agree with us, as evidenced in their settlement agreements. 21

On the areas that are now upland, there are portions where the location of a ditch is critical to the overall hydrologic regime. In other parts, it is a direct tradeoff between wetland and buffer in that by providing more buffer, you reduce the area for created or enhanced wetlands. In some locations, the newly created or enhanced wetland will act as a buffer. 21

At one location in the southwest corner of the west mitigation area, it may be possible to reconfigure the mitigation in order to gain more functional buffer. This area possibly could be reconfigured in order to gain buffer in an equivalent upland area where the need for a buffer may be higher based on the activity expected on the adjacent roads. We will look at this area during final design.

6. Page 3.5-12, section 3.5.4.3 Additional Mitigation Requirements for Water Quality Certification 22

The mitigation objectives linking to specific performance standards requested in the fifth bulleted item of this section (third bullet on page 3.5-12) are part of the stipulated agreement between Sumas Energy and Fish and Wildlife which was submitted to EFSEC on September 24, 2001. (Attachment 14)

7. Page 3.5-12, section 3.5.4.3 Additional Mitigation Requirements for Water Quality Certification 23

The long-term preservation of the mitigation areas requested in the sixth bullet of the section (fourth bullet on page 3.5-12) is included in the stipulated agreements between Sumas Energy and Ecology, and between Sumas Energy and Fish and Wildlife. (Attachment 14) If the project is approved by EFSEC, a restrictive covenant will be placed on both mitigation areas to ensure long-term preservation of the mitigation areas.

8. Page 3.5.5 Significant Unavoidable Adverse Impacts

We disagree with the conclusion stated in the third paragraph that the mitigation as presented by the application does not reduce the unavoidable impacts to a level that is fully compensated based on Washington State mitigation measures. SE2 has provided a functional assessment to Ecology, in accordance with the Washington State Methods for Assessing Wetland Functions (Ecology 1999). This assessment has been accepted and approved by Eric Stockdale of the Department of Ecology, and the conclusions of that assessment show that the proposed mitigation measures more than compensate for the filling of 9.45 acres of degraded farmed wetland pastures. Both the Departments of Ecology and Fish & Wildlife have agreed — indeed submitted formal stipulations — indicating that the mitigation proposal fully mitigates project impacts. Their conclusions should be accorded deference. 24

- **Section 3.6 Flooding Potential**

Page 3.6-4, Section 3.6.3 Environmental Impacts, states that it is not clear if unsteady-state flood modeling will be performed for this site, or when it will occur. The following is an update on the status of the flood modeling.

Analysis of flood impacts from the SE2 project originally derived from 1997 modeling performed by KCM, Inc. for the City of Sumas. The modeling employed a two-dimensional steady-state model, calibrated using flood flow data from a one-dimensional unsteady model. (Typical flood modeling uses one-dimensional steady-state models, and one-dimensional steady-state modeling is considered sufficient by the Federal Emergency Management Agency for communities to qualify for flood insurance. The modeling performed by KCM was exceptional in that it employed a two-dimensional model and incorporated data from an unsteady model – overall providing more detailed information regarding potential flood impacts than a typical one-dimensional steady model.) The model analyzed potential flood impacts from filling the entire City of Sumas industrial zone. Fill for the SE2 facility encompasses less than 20 acres within the City's industrial zone. The potential flood impacts from filling only the SE2 site were therefore determined to be significantly less than potential impacts from filling the entire zone. The modeling demonstrated that the SE2 facility would cause no adverse off-site flood impacts. 25

In the subsequent adjudication before the Energy Facility Site Evaluation Council (EFSEC), in summer 2000, parties requested that SE2 also perform unsteady flood modeling of the proposed site, primarily to determine potential impacts during smaller floods (such as 10-, 25- and 50-year flood events). When SE2 submitted a Second Revised Application to EFSEC in June 2001, it agreed to do so.

Since that time, SE2's flood consultants have obtained the existing unsteady flood model of the region prepared for Whatcom County. "As is" the model is too broad to apply to analyze flood impacts attributable to fill for the SE2 site. (For example, although the existing model encompasses the proposed site, it does not include important site-specific details, such as the existing drainage pathways from the site.) However, the model can be modified and refined to analyze flood impacts from the SE2 project. SE2's flood consultants have begun this process. Due to the complexity of the model, it will likely be some weeks or months until the refined model is complete and can be successfully run. SE2 has proposed to EFSEC to complete the unsteady flood modeling, evaluate potential flood impacts from fill for the SE2 site, and propose reasonable mitigation for adverse off-site impacts prior to construction of the SE2 facility should the model show that adverse off-site impacts would occur.

- **Section 3.7 Faulting and Seismicity**

  We concur that given the lack of evidence of surface fault rupture in the last 10,000-12,000 years and the projected surface trace of the Sumas fault is at least 2,000 feet from the site, there is a very low potential for surface fault rupture at the SE2 site during the expected project lifetime. In addition, any impact from surface fault rupture would be to the plant facilities and not the environment. 26

Thank you for the opportunity to provide this information. If you have any questions, please call me at 425-889-1000.

Sincerely,

Charles E. Martin
Vice President

Attachments:
Attachment 1 Rebuttal Testimony of Burt Clothier
Attachment 2 Direct and Rebuttal Testimony of Frank Britten
Attachment 3 Transcript pp. 407-08, 1316-17
Attachment 4 Transcript pp. 457-60, 1401
Attachment 5 Exhibit 25, p. 19
Attachment 6 Direct and Rebuttal Testimony of Allan Porush
Attachment 7 Direct and Rebuttal Testimony of Mark Molinari
Attachment 8 Direct and Rebuttal Testimony of David Montgomery
Attachment 9 Direct and Rebuttal Testimony of Jim Litchfield
Attachment 10 Direct and Rebuttal Testimony of Charles Martin
Attachment 11 "Summary of Wetlands, Wetland Impacts, and Compensatory Mitigation Planned for Sumas 2 Generation Facility", dated September 20, 2001.
Attachment 12 Pre-filed Testimony of David Every
Attachment 13 Settlement Agreement between the Washington Department of Ecology and SE2
Attachment 14 Settlement Agreement between the Washington Department of Fish and Wildlife and SE2.
Attachment 15 Transcript of Testimony in support of Settlement Agreements with Ecology and Fish and Wildlife
Attachment 16 Noise Data for 501F